

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
GLOBAL EXPEDITED PACKAGE SERVICES 7  
(MC2016-196 AND CP2016-280)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-213

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING A  
MODIFICATION TO A GLOBAL EXPEDITED PACKAGE SERVICES 7  
NEGOTIATED SERVICE AGREEMENT**  
(October 6, 2017)

In Order No. 3976, the Postal Regulatory Commission (Commission) included the agreement in the docket number listed above within the Global Expedited Package Services 7 (CP2016-196) product.<sup>1</sup> Attached to this notice is a modification to the agreement that is the subject of this docket. The modification amends and replaces Annex 1A and Annex 2A. The rates in the modification are intended to go into effect on November 1, 2017.

A redacted copy of the modification and a redacted version of the certified statement required by 39 C.F.R. § 3015.5(c)(2) are filed as Attachments 1 and 2 respectively. In addition, the Postal Service is filing in separate Excel files redacted versions of the revised supporting financial documents for the contract that is the subject of this docket.

With respect to the non-public version of the modification, certified statement and the revised financial workpapers that are filed under seal, the Postal Service hereby

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<sup>1</sup> PRC Order No. 3976, Order Approving Additional GEPS 7 Negotiated Service Agreement, Docket No. CP2017-213

incorporates its Application for Non-Public Treatment filed in conjunction with its June 15, 2017 notice in this docket.<sup>2</sup> The application protects from disclosure the information that has been redacted from the materials that the Postal Service is filing publicly today with this notice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Corporate and Postal Business Law Section

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October 6, 2017

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<sup>2</sup> Notice of the United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 7 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, Docket No. CP2017-213, June 15, 2017.

**MODIFICATION ONE TO THE  
GLOBAL CUSTOMIZED MAIL AGREEMENT BETWEEN  
THE UNITED STATES POSTAL SERVICE AND**

[REDACTED]

This Modification amends the Global Customized Mail Agreement ("Agreement") between [REDACTED] ("Mailer") with offices at [REDACTED] and the United States Postal Service ("USPS"), an independent establishment of the Executive Branch of the United States Government, with offices at 475 L'Enfant Plaza SW, Washington, DC 20260-9998, signed by the Mailer on June 8, 2017, and by the USPS on June 9, 2017. The Mailer and the USPS may be referred to individually as a "Party" and together as the "Parties."

The purpose of this Modification is to make the following two changes to the Agreement.

First, Annex 1A of the Agreement is replaced by the revised Annex 1A attached to this Modification.

Second, Annex 2A of the Agreement is replaced by the revised Annex 2A attached to this Modification.

All other terms and conditions of the Agreement shall remain in force.

The USPS will notify the Mailer of the Effective Date of this Modification as soon as possible, but no later than thirty (30) days, after receiving the approval of the entities that have oversight responsibilities for the USPS.

The Parties acknowledge and understand that all obligations of the USPS under this Modification shall be contingent on the USPS receiving approvals ("Conditions Precedent") from one or more internal and external bodies that have oversight responsibilities. Conditions Precedent may include, but are not limited to: approvals or, if applicable, non-objection, from responsible USPS management officials, the USPS Board of Governors, the USPS Governors, the Postal Regulatory Commission, and/or any other governmental body with oversight responsibility for the USPS. The Parties acknowledge that this Modification might not be approved by such individuals or bodies. Until such time that all Conditions Precedent are fulfilled that are necessary to allow the USPS to provide the products or services contemplated under this Modification, no obligation shall exist for the USPS and no benefit shall inure to either Party. In the event that the Conditions Precedent are not fulfilled, the USPS shall have no liability, which shall include no obligation to pay costs associated with any action taken by the Mailer prior to the Effective Date of this Modification. Further, in the event of termination of the Agreement or the failure of any Condition Precedent, the USPS shall not be held liable for any damages including, without limitation, actual, special, indirect, incidental, punitive, consequential, or any other damages, which shall include but not be limited to damages for loss of business profits; business interruption; any other loss; and/or any costs incurred by either Party attributable to such non-approval such as attorney's fees.

The Mailer acknowledges that the Modification and supporting documentation will be filed with the Postal Regulatory Commission ("Commission") in a docketed proceeding (CP2017-213). The Mailer authorizes the USPS to determine the scope of information that must be made publicly available in any Commission docketed proceeding in which information related to this Modification must be filed. The Mailer further understands that any unredacted portion of the Modification or supporting information will be available on the Commission's public website, <http://www.prc.gov>. In addition, the USPS may be required to file information in connection with this Modification (including revenue, cost or volume data) in other Commission dockets, including the Commission docket number for the Annual Compliance Report (ACR) for the USPS fiscal year(s) in which the Agreement is in effect. Each ACR docket has a distinct docket number, such as ACR201#, in which ACR201# signifies the USPS fiscal year to which the ACR pertains. The Mailer has the right, in accordance with the Commission's rules, to address its confidentiality concerns directly with the Commission. The procedure for making an application to the Commission for non-public treatment of materials believed to be protected from disclosure is found at Title 39, Code of Federal Regulations, Section 3007.22 found on the Commission's website at <http://prc.gov/Docs/63/63467/Order225.pdf>.

The Parties may execute this Modification in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

In witness whereof, this Modification is deemed executed on the latter of the two dates accompanying the Parties' signatures.

ON BEHALF OF THE UNITED STATES POSTAL SERVICE:

Signature:

*Donald W. Ross*

Name:

Donald W Ross

Title:

Director International Sales

Date

9-27-2017

ON BEHALF OF

Signature:

Name:

Title:

Date:

*09/24/2017*

REVISED  
ANNEX 1A

PRICES FOR PRIORITY MAIL EXPRESS INTERNATIONAL AND  
PRIORITY MAIL INTERNATIONAL PRESORTED AND TENDERED AT A USPS  
INTERNATIONAL SERVICE CENTER (ISC)

REVISED  
ANNEX 2A

PRICES FOR FIRST-CLASS PACKAGE INTERNATIONAL SERVICE PRESORTED AND  
TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)

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**ANNEX 1A  
PRICES IN UNITED STATES DOLLARS FOR  
PRIORITY MAIL EXPRESS INTERNATIONAL AND PRIORITY MAIL INTERNATIONAL  
PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)**

The postage prices for Priority Mail Express International (PMEI) Qualifying Mail and Priority Mail International (PMI) Qualifying Mail set forth in this Annex 1A are only available for PMEI Qualifying Mail and PMI Qualifying Mail that is presorted and that is:

1. paid for through a separate permit imprint using USPS-provided Global Shipping Software (GSS) that is not used for any other type of mail than Qualifying Mail that meets the requirements set forth in this Agreement and Annex 1A;

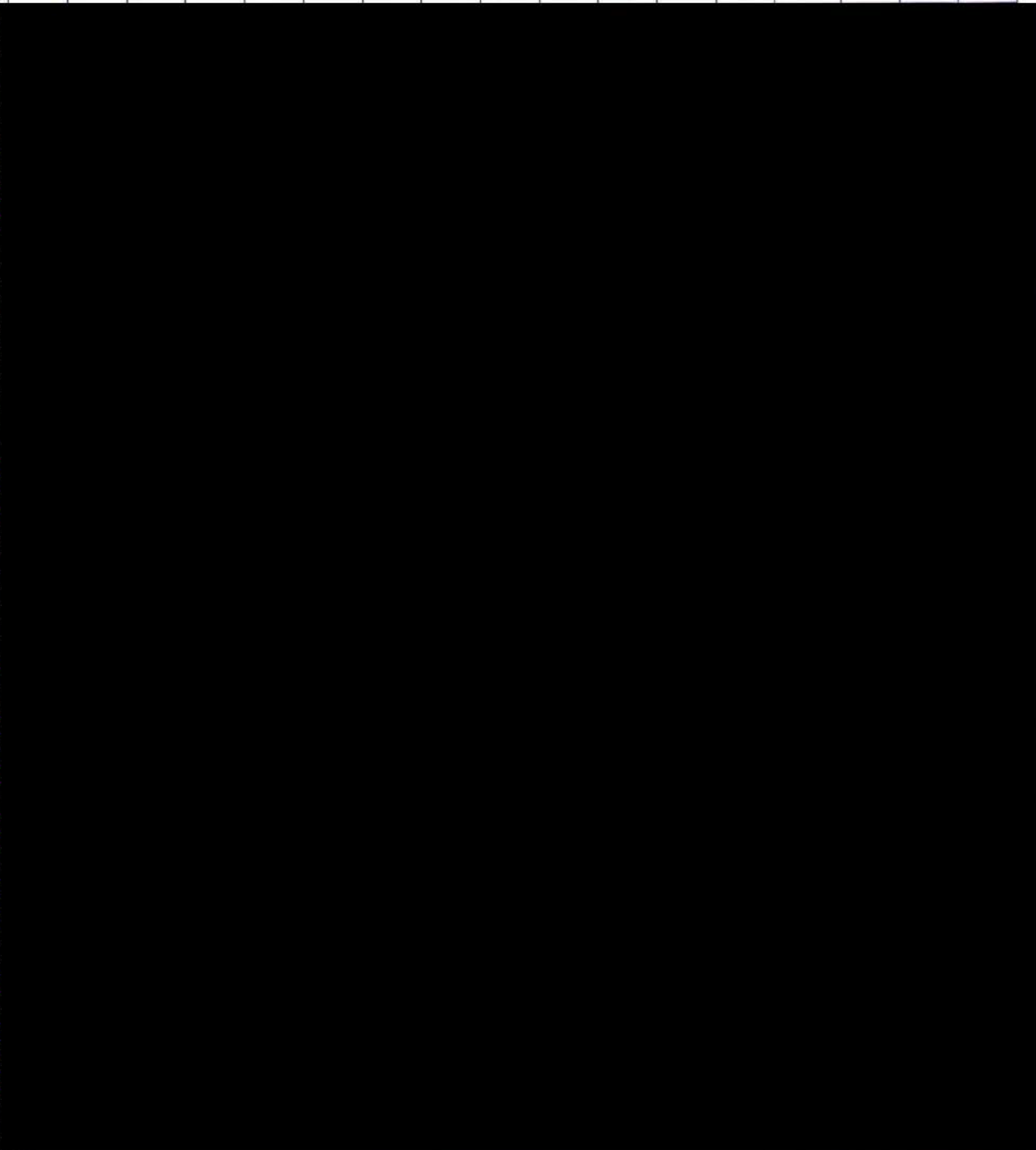
2.

3.

4. tendered to the USPS at any of the following USPS International Service Center locations:

- JOHN F KENNEDY AIRPORT MAIL CENTER  
US POSTAL SERVICE  
JOHN F KENNEDY INTERNATIONAL AIRPORT BLDG 250  
JAMAICA NY 11430-9998
- JT WEEKER INTERNATIONAL SERVICE CENTER  
US POSTAL SERVICE  
11600 WEST IRVING PARK ROAD  
CHICAGO IL 60666-9998
- LOS ANGELES INTERNATIONAL SERVICE CENTER  
US POSTAL SERVICE  
5800 WEST CENTURY BLVD  
LOS ANGELES CA 90009-9998
- SAN FRANCISCO INTERNATIONAL SERVICE CENTER  
US POSTAL SERVICE  
660 WEST FIELD ROAD  
SAN FRANCISCO CA 94128-3161
- MIAMI INTERNATIONAL SERVICE CENTER  
US POSTAL SERVICE  
11698 NW 25TH ST  
MIAMI FL 33112-9997
- MIAMI PROCESSING AND DISTRIBUTION CTR  
U.S. POSTAL SERVICE  
2200 NW 72ND AVE  
MIAMI FL 33152-9997

**ANNEX 1A CHART 1**  
**PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL EXPRESS INTERNATIONAL**  
**PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)**  
**RATES FOR COUNTRY GROUPS 1 – 17**

Weight Not Over (LBS)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
0.5																	
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ANNEX 1A CHART 2  
PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL INTERNATIONAL  
PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)  
RATES FOR COUNTRY GROUP 1

Weight Not Over (LBS)	
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**ANNEX 1A CHART 3**  
**PRICES IN UNITED STATES DOLLARS FOR PRIORITY MAIL INTERNATIONAL**  
**PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)**  
**RATES FOR COUNTRY GROUPS 2 - 17**

Weight Not Over (LBS)	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1																
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**ANNEX 2A  
PRICES IN UNITED STATES DOLLARS FOR  
FIRST-CLASS PACKAGE INTERNATIONAL SERVICE  
PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)**

The postage prices for First-Class Package International Service (FCPIS) Qualifying Mail set forth in this Annex 2A are only available for FCPIS Qualifying Mail that is presorted and that is:

1. paid for through the use of a separate permit imprint using USPS-provided Global Shipping Software (GSS) that is not used for any type of mail other than Qualifying Mail that meets the requirements set forth in this Agreement and Annex 2A;

2.

3.

4. tendered to the USPS at any of the following USPS International Service Center locations:

- JOHN F KENNEDY AIRPORT MAIL CENTER  
US POSTAL SERVICE  
JOHN F KENNEDY INTERNATIONAL AIRPORT BLDG 250  
JAMAICA NY 11430-9998
- JT WEEKER INTERNATIONAL SERVICE CENTER  
US POSTAL SERVICE  
11600 WEST IRVING PARK ROAD  
CHICAGO IL 60666-9998
- LOS ANGELES INTERNATIONAL SERVICE CENTER  
US POSTAL SERVICE  
5800 WEST CENTURY BLVD  
LOS ANGELES CA 90009-9998
- SAN FRANCISCO INTERNATIONAL SERVICE CENTER  
US POSTAL SERVICE  
660 WEST FIELD ROAD  
SAN FRANCISCO CA 94128-3161
- MIAMI INTERNATIONAL SERVICE CENTER  
US POSTAL SERVICE  
11698 NW 25TH ST  
MIAMI FL 33112-9997
- MIAMI PROCESSING AND DISTRIBUTION CTR  
U.S. POSTAL SERVICE  
2200 NW 72ND AVE  
MIAMI FL 33152-9997

**ANNEX 2A**  
**PRICES IN UNITED STATES DOLLARS FOR**  
**FIRST-CLASS PACKAGE INTERNATIONAL SERVICE**  
**PRESORTED AND TENDERED AT A USPS INTERNATIONAL SERVICE CENTER (ISC)**  
**FOR COUNTRY GROUPS 1-9**

Weight Not Over (Oz)	Price Group 1	Price Group 2	Price Group 3	Price Group 4	Price Group 5	Price Group 6	Price Group 7	Price Group 8	Price Group 9
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**Certification of Prices for the Global Expedited Package Services Contract with [REDACTED].**

I, Steven Phelps, Manager of Regulatory Reporting and Cost Analysis, Finance Department, United States Postal Service, am familiar with the prices for the Global Expedited Package Services Contract with [REDACTED]. The prices contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, issued March 22, 2011 (Governors' Decision No. 11-6), which established prices by means of price floor formulas.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] contract are the appropriate costs to use in the formulas and represent the best available information. The prices, resulting in a cost coverage of in excess of the minimum required by the Governors' Decision, exclusive of pickup on demand and international ancillary services fees, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Expedited Package Services Contracts should be even smaller. The Agreement with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

Steven Phelps

Digitally signed by Steven Phelps  
DN: cn=Steven Phelps, o, ou,  
email=steven.r.phelps@usps.gov,  
c=US  
Date: 2017.10.03 08:18:48 -04'00'

Steven Phelps